

Robust surface gold anomaly confirmed at Capstan

LEFROY EXPLORATION LIMITED

Western Australian Focused
Gold Explorer

ASX Code: LEX

Shares on Issue:

64.8m

Current Share Price:

15.5c

Market Capitalisation:

\$10.04m

Board of Directors

Chairman
Gordon Galt

Non-Executive Directors

Michael Davies
James Beecher
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Managing Director

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Flagship Exploration Project

Lefroy Gold Project

Growth Exploration Projects

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Key Points

- An auger sampling program has confirmed a large surface gold anomaly known as Capstan, located adjacent to Lucky Strike, at the Lefroy Gold Project
- The anomaly, expressed as plus 20ppb gold, is defined over a 950m strike length and is untested by drilling
- Lucky Strike and the Capstan anomaly straddle interpreted position of the regional Mt Monger Fault
- Capstan is situated over interpreted north west trending sequence of dolerite and High Mg basalt that are considered prospective for brittle hosted lode gold style mineralisation
- Capstan may represent a subtle surface expression of a bedrock gold system masked by transported cover
- Provides further evidence to support the Company's view for multiple styles of bedrock gold mineralisation proximate to the nearby Salt Creek deposit.
- An air core drilling program to evaluate the bedrock in the immediate area of the Capstan anomaly scheduled to commence in March.

The Board of Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to report the results from an auger sampling program at Capstan, adjacent to the Lucky Strike Trend at its flagship Lefroy Gold Project (“LGP” or “Project”), located approximately 50km to the south east of Kalgoorlie (Figure 1).

The Lefroy Project is wholly owned by the Company and the commanding semi-contiguous granted land package covers 547km² immediately east of the St Ives Gold camp, (operated by Gold Fields) and south of the Mt Monger gold centre (operated by Silver Lake Resources Limited (ASX:SLR)). Four operating gold plants are located within 50km of the LGP and provide potential processing options for the Company for the development of small gold resources whilst remaining focused on its search for the discovery of a major gold deposit.

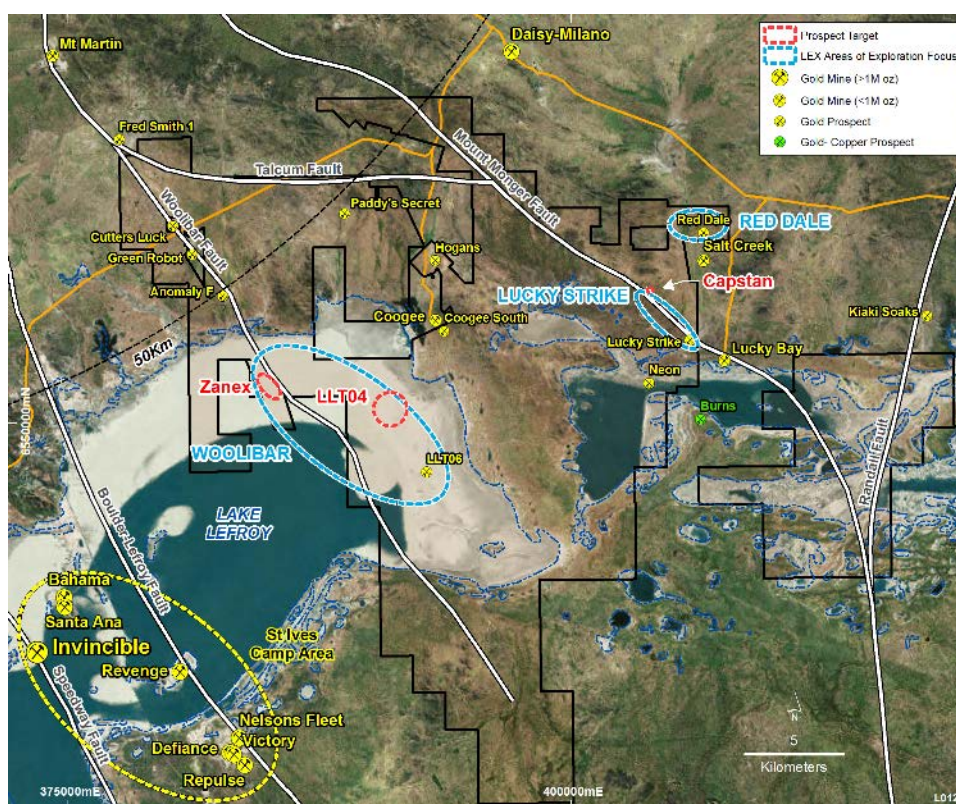


Figure 1 Location of Capstan within the Lefroy Gold Project land package and current key areas of LEX exploration focus, including Lucky Strike.

The Company completed an auger sampling program comprising 374 samples at Capstan in December 2017. The program was undertaken to reaffirm a broad surface gold anomaly recognised subsequent to a review of previous exploration in the vicinity of the Lucky Strike Trend (refer LEX ASX announcement 9 November 2017).

The results from the recent program have confirmed a large and robust surface gold anomaly (plus 20ppb Au) to the north of Lucky Strike that may represent the surface expression of a bedrock gold source. The anomaly extends over an area approximately 950m by 750m and has a general north westerly trend sub parallel to stratigraphy and the mineralisation identified at Lucky Strike (Figure 3).

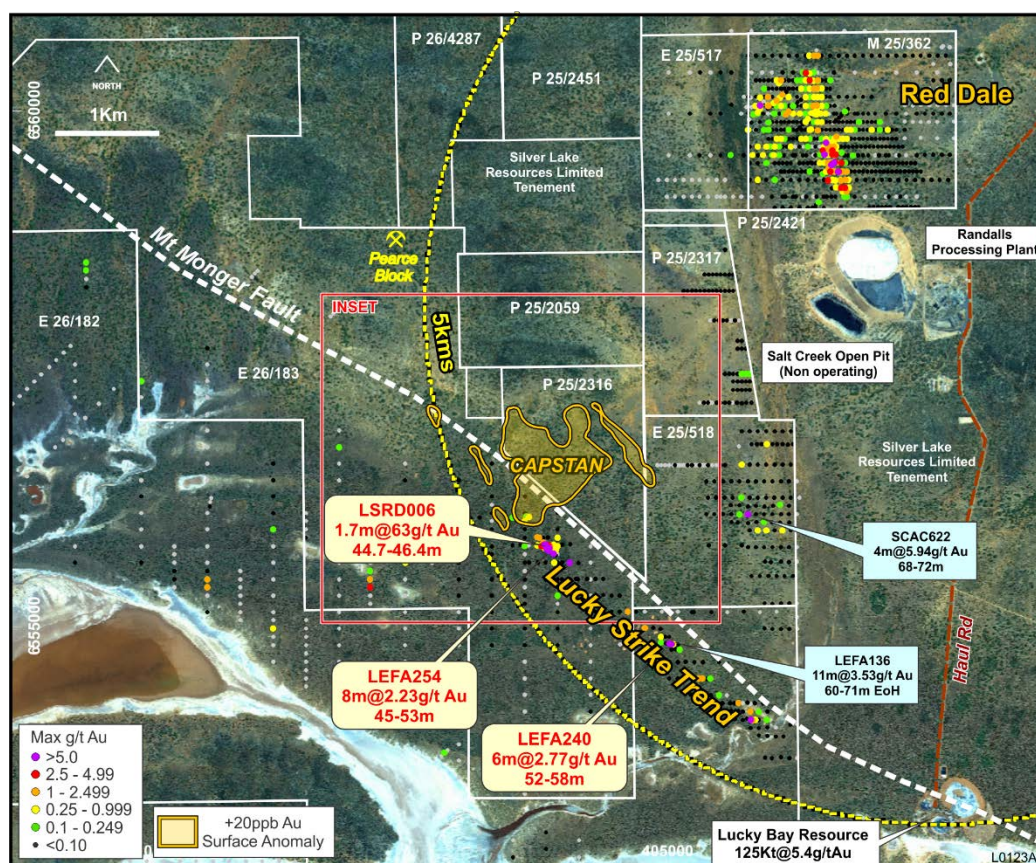


Figure 2 Location of the Capstan anomaly relative to the LEX Lucky Strike Trend, Red Dale Prospect and proximity to the Randalls Processing Facility and infrastructure operated by SLR. The key Lucky Strike air core gold intersections are also highlighted (refer to Figure 3 for detailed inset map and surface sampling plan)

The program consisted of the collection of one sample of suitable carbonate rich material from each shallow (0.5m-3m) auger hole on a 200m line by 50m centre grid (Figure 3).

The highest individual point value, 86ppb gold (Table 1) in the eastern area of the sample grid is supported by an adjacent 62ppb Au value and is within the main gold anomaly (Figure 3). The most significant cluster of higher tenor (plus 35ppb Au) results is located in the western part of the anomaly with three consecutive samples of 36ppb, 40ppb and 76ppb (Figure 3). This cluster exhibits a similar tenor and discrete nature of auger anomaly that led to the discovery of the 400,000oz (Integra, 2008) Salt Creek deposit 2.5km to the north east.

The Capstan gold anomaly has not been evaluated by drilling. The anomaly is interpreted from geophysical data and regional mapping to overlie a sequence of mafic rocks (inc. high Mg Basalt, Dolerite) proximate to the interpreted position of the Mt Monger Fault. A mafic rock package has the opportunity in the right structural setting to host brittle lode gold style mineralisation.

The Company considers the Capstan anomaly to be significant when placed in context of the gold mineralisation intersected at Lucky Strike. Capstan may represent the surface expression of a mafic hosted bedrock gold system that could have a similar structural setting to Lucky Strike and demonstrate a cluster of mineralisation styles in the immediate area.

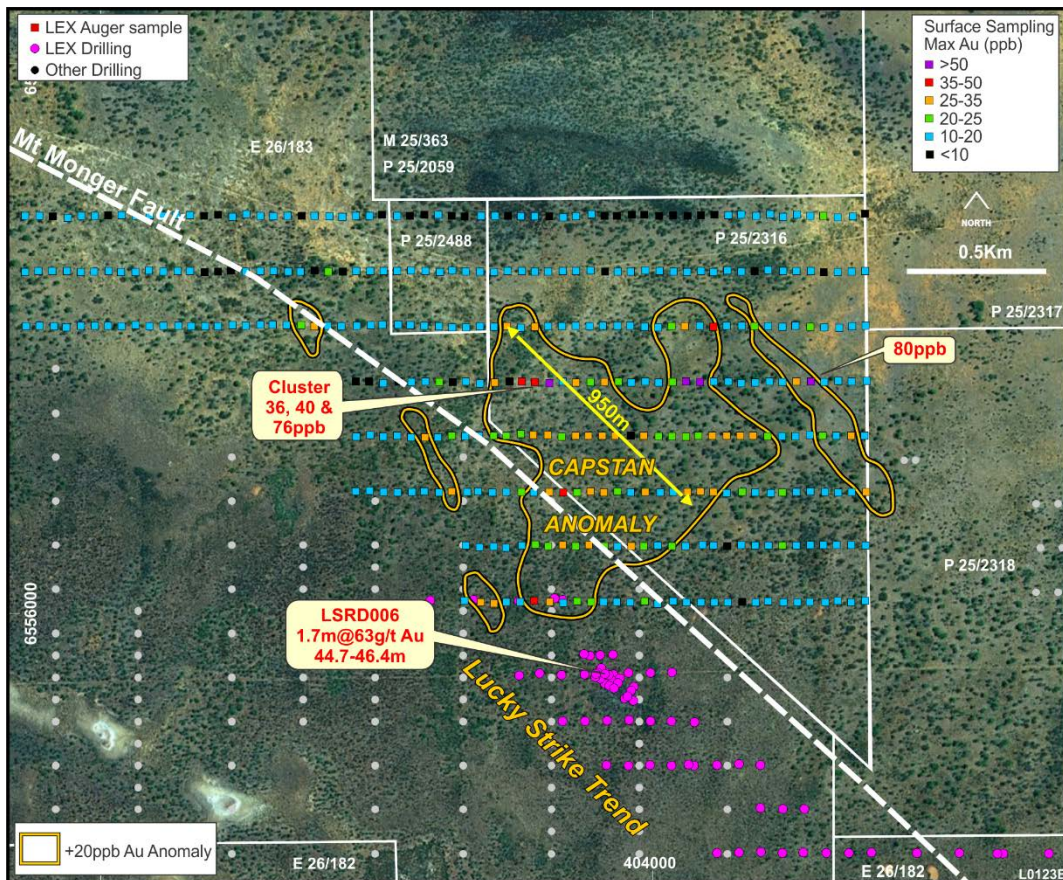


Figure 3-Inset Map Location of the Capstan Anomaly relative to the LEX Lucky Strike Trend and the extent of the auger sampling completed. LEX Diamond hole LSRD006 at Lucky Strike is provided for reference

Next Steps

Given the proximity to the Lucky Strike Trend the Company considers the Capstan anomaly a high priority target in its Lefroy Gold Project portfolio. A Programme of Works (POW) for first pass air core drilling has been lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) and upon grant drilling will be scheduled to commence in March 2018.

Background

The Company has maintained a focus of gold exploration during 2017 along the Lucky Strike Trend and at Red Dale both within close proximity to the Randalls Processing Facility operated by SLR (Figure 2). Exploration to date has discovered a new sediment hosted gold system at Lucky Strike (refer LEX ASX announcement dated 12 December 2017) and a developing palaeochannel hosted gold system at Red Dale that is considered secondary to a primary bedrock source.

The Company initiated compilation and assessment of previous exploration data in the area focused on surface sampling techniques such as auger, soil and pedogenic carbonate sampling (refer to LEX ASX announcement dated 9 November 2017).

Compilation of historical surface sampling was initiated subsequent to the positive results from recent drilling along the Lucky Strike Trend and at Red Dale. This work involved sourcing surface sampling geochemical data comprising auger, soil and pedogenic carbonate point samples from open file WAMEX reports sourced from the Department of Mines, Industry Regulation and Safety.

The previous exploration was mainly completed in the early 1990's by Solomon (Australia) Pty Ltd (Solomon), Western Mining Corporation Ltd, Eagle Bay Resources, Titan Resources Ltd, General Gold NL and Ramsgate Resources NL.

Compilation and assessment of the multiple surface sample techniques by the various previous exploration companies generated a large robust gold anomaly (plus 20ppb Au contour) approximately 500m to the north of the Lucky Strike Trend. The anomaly, named the **Capstan**, is subparallel to the Lucky Strike Trend, and most of the anomaly is untested by drilling. It is important to note that the auger sampling by Solomon and General Gold that defines the eastern part of the Capstan anomaly also defined a gold anomaly, with a peak value of 90ppb Au, over the Salt Creek deposit. This demonstrates that the techniques applied at the time are considered appropriate in the present time.

Peak gold values from the soil sampling within the anomaly include 31ppb Au in auger by Ramsgate Resources, 42ppb Au in auger by Solomon/General Gold and 27ppb in soils by Eagle Bay Resources. The area of the gold anomaly is devoid of outcrop but is interpreted from geophysical data and GSWA mapping to be underlain by dolerite and High Mg basalt rock units.

Importantly, 2km along strike to the north west of Capstan are the Pearce Block historical (1890's) gold workings (Figure 2) that occur over a 250m strike length and which are sited on a quartz reef within dolerite host rocks. The orientation of this quartz reef is parallel to the Lucky Strike Trend and Capstan anomaly. The gold occurrences support the Company's interpretation of these being part of a major gold mineralised structural corridor that occurs adjacent to the Mt Monger Fault.

Table 1 Capstan Auger samples with results ≥ 20 ppb Au

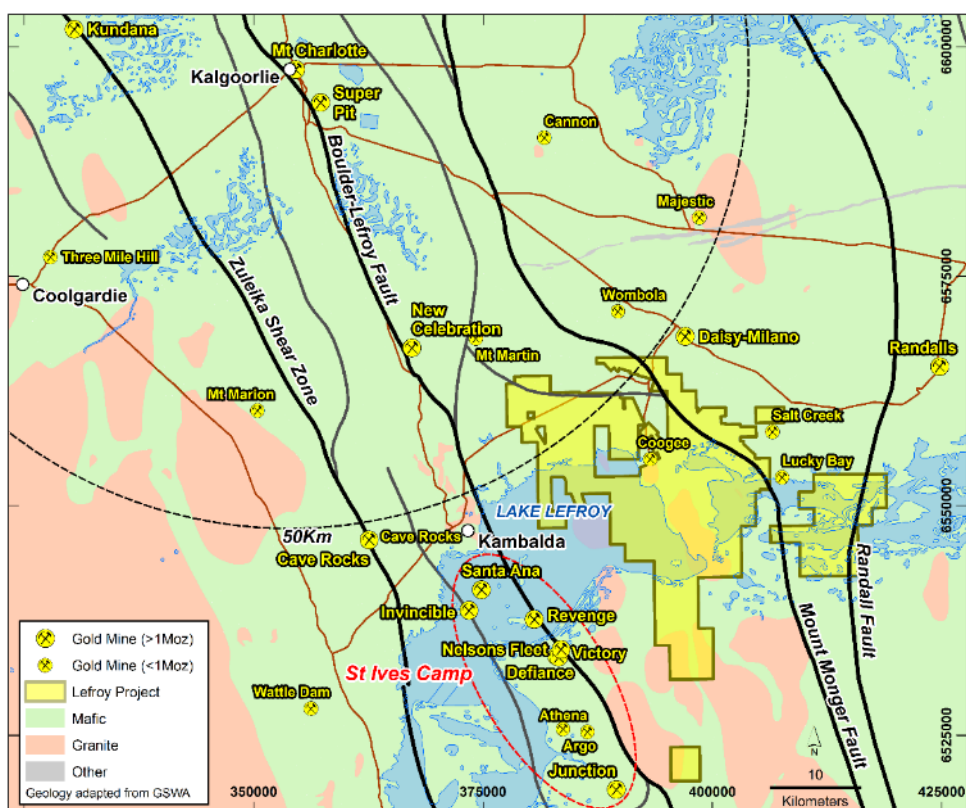
Sample ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Au ppb
LEXA0061	6557445	404632	293	23
LEXA0106	6557243	402835	301	21
LEXA0151	6557048	402736	295	21
LEXA0152	6557044	402785	298	29
LEXA0166	6557044	403484	294	25
LEXA0168	6557042	403584	294	26
LEXA0179	6557044	404081	294	22
LEXA0180	6557045	404129	291	25
LEXA0182	6557042	404233	295	42
LEXA0185	6557044	404382	296	23
LEXA0189	6557043	404585	295	22
LEXA0198	6556844	404587	294	80
LEXA0199	6556844	404535	293	29
LEXA0207	6556843	404184	291	86
LEXA0208	6556844	404133	291	62
LEXA0209	6556842	404085	288	23
LEXA0213	6556844	403888	287	23
LEXA0214	6556843	403838	287	27
LEXA0215	6556843	403787	288	23
LEXA0216	6556841	403735	288	29
LEXA0218	6556839	403636	285	76
LEXA0219	6556842	403585	286	40
LEXA0220	6556845	403537	287	36
LEXA0222	6556840	403438	287	26
LEXA0227	6556842	403238	288	21
LEXA0239	6556642	403185	294	29
LEXA0241	6556648	403282	298	23
LEXA0244	6556647	403434	294	22
LEXA0245	6556647	403481	296	22
LEXA0246	6556653	403533	300	23
LEXA0247	6556649	403579	298	34
LEXA0248	6556649	403632	297	27
LEXA0249	6556643	403682	296	22
LEXA0251	6556648	403733	297	28
LEXA0252	6556647	403779	294	27
LEXA0253	6556647	403829	298	28
LEXA0254	6556648	403877	292	28
LEXA0256	6556648	403979	298	28
LEXA0257	6556646	404034	295	21
LEXA0258	6556646	404082	295	23
LEXA0259	6556644	404133	293	22
LEXA0260	6556648	404179	293	23
LEXA0261	6556648	404228	294	28
LEXA0262	6556647	404281	289	27

Sample ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Au ppb
LEXA0263	6556648	404330	289	28
LEXA0264	6556648	404377	293	31
LEXA0265	6556646	404430	293	22
LEXA0269	6556647	404629	294	23
LEXA0271	6556648	404732	293	31
LEXA0273	6556443	404787	293	26
LEXA0280	6556442	404484	295	21
LEXA0283	6556444	404338	291	21
LEXA0285	6556443	404232	295	29
LEXA0286	6556445	404186	294	29
LEXA0287	6556443	404140	294	25
LEXA0290	6556443	403985	294	31
LEXA0292	6556445	403885	293	22
LEXA0293	6556441	403836	292	28
LEXA0294	6556445	403786	290	26
LEXA0295	6556441	403738	290	22
LEXA0296	6556442	403687	290	40
LEXA0297	6556443	403636	289	31
LEXA0299	6556444	403535	289	21
LEXA0305	6556445	403283	291	26
LEXA0318	6556252	403587	290	21
LEXA0319	6556246	403634	288	23
LEXA0320	6556251	403685	286	27
LEXA0321	6556247	403733	291	22
LEXA0322	6556250	403781	291	26
LEXA0323	6556247	403838	292	21
LEXA0326	6556246	403935	293	28
LEXA0327	6556247	403980	292	23
LEXA0329	6556247	404083	294	21
LEXA0337	6556248	404483	294	21
LEXA0361	6556046	403983	289	23
LEXA0365	6556045	403788	288	21
LEXA0366	6556046	403738	290	23
LEXA0368	6556045	403639	292	33
LEXA0369	6556047	403583	290	35
LEXA0372	6556038	403437	291	33
LEXA0373	6556043	403388	291	29

About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a new WA based and focused explorer taking a disciplined, methodical and conceptual approach in the search for high value gold deposits in the Yilgarn Block of Western Australia. Key Projects include the Lefroy Gold Project to the south east of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure covering 547km², located in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields' St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy, and is also immediately south of Silver Lake Resources (ASX: SLR) Daisy Milano gold mining operation.



Location of the Lefroy Gold Project relative to Kalgoorlie, Gold Fields St Ives Gold Camp near Lake Lefroy, and major gold deposits.

For Further Information please contact:

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Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to exploration reporting on Capstan and the Lucky Strike Trend at the Lefroy Gold Project.

- Exploration Update: Aircore Drilling to Recommence at Lucky Strike: 29 March 2016
- Significant Intersections at Lucky Strike Prospect: 18 April 2017
- Aircore Drill results enhance the Lucky Strike Trend: 7 July 2017
- Exploration Update: Diamond Drilling Commences at the Lucky Strike Trend 31 August 2017
- Surface gold Anomaly Recognised near Lucky Strike: 9 November 2017
- Drill Results Enhance Lucky Strike Gold Discovery: 12 December 2017
- December 2017 Quarterly Activities Report: 31 January 2018

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

Reference

Integra Mining Limited, 2008, 75% of 400,000oz Salt Creek Deposit Reclassified as indicated Resources. ASX release dated 21 July 2008.

JORC CODE, 2012 Edition-Table 1 Lefroy Gold Project: Capstan Anomaly – 7 February 2018

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Auger sampling Auger samples were collected using a purpose built 6 wheel drive auger rig contracted from Gyro Australia Drill and Survey. The drilling was to depths ranging from 0.5m to 1.5m to collect one representative sample from each hole. The technique and medium collected is considered a surface geochemical sample Experienced field personnel supplied by the auger company are always present when sampling to ensure the appropriate carbonate rich horizon is collected from each hole Auger drilling was complete to obtain one sample from each shallow hole from which 200grams was pulverised to produce a 40g charge for fire assay with an ICPMS finish
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> auger drilling with 3.5inch drill bit with depths ranging from 0.5 to 1.5m
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Recoveries were not assessed as they are not material to the sample collected Not applicable Not applicable. On receipt at the laboratory all sample weights are measured and reported to the Company
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Basic surface geology was logged at each site Sample colour and reaction to hydrochloric acid was recorded and entered to an excel spreadsheet. Only the specific sampled horizon was logged
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Not applicable All samples can be considered a grab or scoop sample to collect enough material to prepare a sample weight of 150-200grams As the auger sampling is a first pass geochemical sampling program to screen the area it considered appropriate 5 Field Duplicates have been taken Sample size is considered appropriate
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg</i> 	<ul style="list-style-type: none"> No geophysical tools, spectrometers or hand held XRF instruments used. The samples are sent to Bureau Veritas laboratory in Perth where they are weighed, dried pulverised and a 40g sample collected for fire assay and then measured by ICP-MS (lab method FA40_ICPMS)

Criteria	JORC Code Explanation	Commentary
	<p><i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<ul style="list-style-type: none"> • The sampling program was conducted using a suite of certified reference materials including duplicates, blanks and standards in the field , and additional lab inserted blanks, standards and replicates • External laboratory checks have not been conducted as they are not deemed material to these results.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Not applicable • Not applicable • Primary field data was collected on a field laptop, then sent to LEX where it was entered to the company's datashed database managed by external consultant Maxwell Geoservices. The location of the sample points has been spatially validated by LEX using GIS software • No Data were adjusted
<p>Location of data points</p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The sample points were located using a rig mounted GPS capturing Northing, Easting and reduced level • MGA 94 zone 51 • The survey accuracy is considered appropriate for this surface sampling
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Auger Sampling: Line spacing at 200m spacing with sample centres at 50m east west orientated drill lines. • Not Applicable • No sample compositing applied
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Not applicable • Not applicable
<p>Sample security</p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • The auger contractor despatched all samples as one batch to Bureau Veritas (BV) laboratory in Kalgoorlie. LEX where notified when samples arrived. BV Kalgoorlie then on sent the samples to the BV lab in Perth. The samples are not left unattended.
<p>Audits or reviews</p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No reviews by external parties

Section 2: REPORTING OF EXPLORATION RESULTS – Lefroy Gold Project-Capstan Anomaly – 7 February 2018

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Lefroy Project is located approximately 50km in a south easterly direction from Kalgoorlie, Western Australia and consists of a contiguous package of tenements covering approximately 547 square kilometres. • The tenement group E25/518, P25/2316 and P25/2317 form the Capstan Anomaly area. These tenements are current and in good standing with the Department of Mines, Industry Regulation and Safety (DMIRS) of Western Australia. The tenement are held by Lefroy Exploration Limited (LEX) or held outright by LEX. • The tenements have expiry dates ranging from 09/08/2019 and 28/05/2020.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • For Full details of exploration completed by other parties at the Lefroy Project refer to the Independent Geologists Report ('IGR') attached to the LEX prospectus (2016). Previous work on, or adjacent to, the Capstan Anomaly area was completed by Solomon (Australia) Pty Ltd, Ramsgate Resources NL, WMC Ltd, Eagle Bay Resources, Titan Resources Ltd, Integra Mining Limited and Silver Lake Resources Ltd. (Refer Table 1 in the body of the LEX ASX release dated 9-November 2017 report for WAMEX reference numbers)
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • For full details of the geological settings at the Lefroy Project refer to the Independent Geologists Report attached to LEX prospectus (2016) and also documented in LEX ASX release dated 9-November 2017 report ---WAMEX reports noted in Table 1.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Capstan- Previous drilling information used for current targeting and no LEX drilling completed over the Capstan anomaly. Historic drill data sourced from the following WAMEX reports: A104013, 78793, A41940 and refer to Independent Geologists Report attached to the LEX prospectus (2016). • Figures 2 & 3 in the body of this announcement displays positions of all historical holes drilled on tenement E25/518, P25/2316 and P25/2317.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • No weighting averaging, maximum and/or minimum grade truncations or cut off grades applied. • Historic and recent LEX drill intercepts previously reported in LEX AS announcements • No assumptions used for any metal equivalent values.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • Not applicable for the surface samples reported.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Appropriate summary diagrams are included in this announcement.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • Previous explorer's geochemistry data summarised in the body of LEX ASX announcement dated 9 November 2017 and grade ranges of point samples depicted on Figure 2.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • Other relevant exploration data for Capstan and its relationship to the nearby Lucky Strike has been included in this announcement
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • Follow up air core drilling of the Capstan gold anomaly is scheduled for March 2018.